BEFORE THE TENNESSEE REGULATORY AUTHORITY TH REGULATURY AUTH. NASHVILLE, TENNESSEE '01 JUN 29 AM 10 35 OFFICE EXECUTIVE SEGRETAR! DISTRIBUTION SYSTEMS. **ACTUAL COST ADJUSTMENT (ACA) AUDIT** 00-00998

STAFF RESPONSE TO PETITION FOR REVIEW OF INITIAL ORDER

On June 22, 2001, Gasco Distribution Systems, Inc. ("Gasco") filed with the Tennessee Regulatory Authority ("Authority" or "TRA") a Petition for Review of Initial Order ("Petition"). Staff of the TRA's Energy and Water Division ("Staff") files the following response to Gasco's Petition.

Petition for Review

IN RE:

GASCO

Staff is of the opinion that Gasco filed this Petition merely to preserve its right of appeal to the Authority. Substantive settlement negotiations have, and continue to be, engaged in between Gasco, Staff and the Consumer Advocate relative to this docket as well as peripheral issues and other matters pertaining to Gasco. There is an attempt to reach a "global" settlement relative to all remaining issues, and the parties hope to present such a proposed settlement agreement in the very near future. If such a proposed settlement agreement is accepted by the Hearing Officer, the Petition for Review will become moot.

Notwithstanding the above, Staff must point out that pursuant to Tenn. Code Ann. § 4-5-315(c), the Petition for Review is deficient in its current form, as it states no basis for appeal. Therefore, Staff requests that if the Petition for Review does not become moot, it be dismissed for failure to state a basis for appeal. As an alternative to dismissal, if the Petition for Review does not become moot, Gasco should be directed to amend its Petition, stating a basis for appeal, at which time Staff will respond with specificity to such basis.

In conclusion, counsel for Staff will be out of state between July 5-13, 2001, and therefore requests that the Hearing Officer or the Authority take no action that requires his presence during that time period.

Respectfully submitted,

Gary R. Hotvedt

Counsel for TRA Staff

¹ "The petition for appeal shall state its basis." Tenn. Code Ann. § 4-5-315(c).

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been served on the following person(s), via the method(s) checked, on June 29th, 2001:

[] Hand Henry Walker, Esq. [] Mail Boult, Cummings, Conners & Berry PLC M Facsimile 414 Union Street, Suite 1600 Nashville, TN 37219-8062 Hand Timothy Phillips, Esq. Consumer Advocate Division Mail [] Facsimile Office of the Tennessee Attorney General M 426 5th Avenue North, 2nd Floor Nashville, TN 37243

Gary Hotvedt